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Southern District of New York*

FOR IMMEDIATE RELEASE  
JUNE 4, 2004

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**U.S. CHARGES 17 WITH TRAFFICKING**  
**IN COUNTERFEIT GOODS, MONEY LAUNDERING,**  
**AND ATTEMPTED BRIBERY OF A PUBLIC OFFICIAL**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, and MARTIN FICKE, the Special Agent in Charge of the Department of Homeland Security, United States Immigration and Customs Enforcement ("ICE") in New York, announced that 17 defendants have been charged in Manhattan federal court with participating in an international counterfeiting operation that smuggled into the United States tens of millions of dollars' worth of counterfeit handbags, luggage, wallets, purses, sunglasses and clothing bearing false trademarks of manufacturers such as Louis Vuitton, Cartier, Gucci, Christian Dior, Coach, Akademiks, Sean John, and ENYCE, among others, for retail distribution in the New York metropolitan area through store fronts and street vendors.

The coordinated takedown yesterday in Manhattan has thus far resulted in the arrests of defendants WING MING TUNG, TOMMY LAU, YUE DONG WU, JIAN WU LI, TIAN JI LI, JIMMY LNU, ZHAO WU, CHAO HUANG, YING MA, RU LEI YAN, YU SHAN WANG, and ALI AOUN.

According to three criminal Complaints unsealed in Manhattan federal court, from about April 2003 through about May 2004, the defendants operated as two networks involved in the illegal importation of counterfeit designer goods. As part of their activities, the defendants smuggled in at least 30 40-foot containers loaded with counterfeit merchandise from China worth millions of dollars and subsequently wired hundreds of thousands of dollars in criminal proceeds derived from the scheme back to China. Also, in order to ensure that their goods cleared through United States Bureau of Customs and Border Protection ("BCBP") without inspection, a number of the defendants paid an Immigration and Customs Enforcement agent ("ICE") acting in an undercover capacity and posing as someone with corrupt connections at BCBP approximately \$1 million to clear shipments of counterfeit goods through BCBP without inspection.

The arrests represent the culmination of a year-long undercover investigation by the Department of Homeland Security, Immigration and Customs Enforcement ("ICE"). In addition to the arrests, ICE agents also seized thousands of counterfeit items, pursuant to four search warrants, including purses, wallets,

luggage, shoes, belts, scarves, umbrellas, watches, make-up cases and hats, among other things, bearing fake trademarks for Burberry, Prada, Gucci, Chanel, Fendi, Louis Vuitton handbags; and sportswear with fake NBA and NFL logos. Also, the Government has frozen approximately \$350,000 in assets located in approximately 12 bank accounts in New York.

According to the first Complaint, defendants WING MING TUNG, KEN LNU, TOMMY LAU, YUE DONG WU, JIAN WU LI, TIAN JI LI, JIMMY LNU, ZHAO WU, CHAO HUANG, and DAN LNU (the "LI Organization") were members of a ring trafficking in counterfeit handbags, sunglasses and clothing imported from China into the United States through Port Elizabeth in New Jersey for sale in the New York metropolitan area. The defendants used various shell companies to import the merchandise into the United States and concealed the true contents of the containers by mislabeling the shipping manifests, for example claiming that a container contained jewel boxes or PVC plastic storage boxes when in fact fake handbags were enclosed. Many of the goods were destined for distribution through store fronts operated by the LI Organization on Canal Street in Manhattan.

As described in the Complaint, between June 2003 and May 2004, members of the LI Organization met with an undercover Customs agents ("UC") posing as an individual with the ability to obtain the release by corrupt means of containers imported by the

LI Organization but held by Customs for inspection. During these meetings, which occurred between June 2003 and May 2004, members of the LI Organization provided the UC with information regarding at least 11 40-foot containers which had been put hold by Customs and which they wanted the UC's help in obtaining. In exchange for obtaining the release of the containers, the LI Organization paid the UC approximately \$50,000 in cash for each container released. Upon release, the containers would be taken to locations in Brooklyn and Queens where members of the LI Organization would unload and warehouse the counterfeit goods. Over the course of the investigation, the LI Organization paid the UC approximately \$500,000 for purportedly obtaining the release of 11 shipments.

According to a second Complaint, defendants YU CHUN WANG, YING MA, RU LEI YAN, YU SHAN WANG, and YON JIN WANG (the "WANG organization") imported from China goods such as handbags, luggage, wallets and purses with counterfeit trademarks of designers such as Louis Vuitton, Coach and Gucci, among others, and sold them to merchants in New York. Like the LI Organization, in order to get their goods cleared through BCBP without inspection, the WANG Organization paid an ICE agent acting in an undercover capacity and posing as someone who had corrupt connections at BCBP (the "UC") approximately \$50,000 for each shipment of counterfeit goods cleared through BCBP. The

WANG Organization sold some of their counterfeit goods to defendants MOHAMMAD AOUN and ALI AOUN (the "AOUN Organization") who in turn sold them to the public from a store located on West 27<sup>th</sup> Street in Manhattan, as described in the third Complaint. To date, the WANG Organization paid the UC approximately \$500,000 for clearing 10 shipments through BCBP. MOHAMMAD AOUN allegedly contributed approximately \$16,700 towards the attempted bribes. ICE agents have traced approximately 20 shipments of counterfeit Louis Vuitton and other designer merchandise to the WANG Organization, totaling hundreds of thousands of counterfeit items with a manufacturers' suggested retail price in the tens of millions of dollars, it was charged. Pursuant to the search warrants, ICE agents also found thousands of counterfeit items in the store operated by the AOUN Organization and in storage units rented by the AOUN Organization, with a manufacturers' suggested retail price estimated to be in the millions of dollars.

WING MING TUNG, TOMMY LAU, YUE DONG WU, JIAN WU LI, TIAN JI LI, JIMMY LNU, ZHAO WU and CHAO HUANG are each charged with one count of trafficking in counterfeit goods.

If convicted on this charge, they face a maximum sentence of 10 years' imprisonment and a maximum fine of \$2 million. YING MA, RU LEI YAN, YU SHAN WANG, and ALI AOUN are

each charged with one count of participating in a conspiracy to traffic in counterfeit goods. If convicted on this charge, they face a maximum sentence of 5 years' imprisonment and a maximum fine of \$250,000 or twice the gross loss or gain derived from the offense. TOMMY LAU, YUE DONG WU, YING MA and YU SHAN WANG are each charged with one count of attempted bribery of a public official. If convicted on this charge, they face a maximum sentence of 15 years' imprisonment and a maximum fine of \$250,000 or three time the monetary thing of value. YING MA and YU SHAN WANG are each charged with one count of money laundering. If convicted on this charge, they face a maximum sentence of 20 years' imprisonment and a maximum fine of \$500,000 or twice the value of laundered funds.

YU CHUN WANG, YONG JIN WANG, KEN LNU, and DAN LNU are fugitives.

Mr. KELLEY praised the efforts of the Department of Homeland Security, Immigration and Customs Enforcement.

Assistant United States Attorneys BRET R. WILLIAMS and LISA G. HORWITZ are in charge of this prosecution. Assistant United States Attorney LISA KOROLOGOS is in charge of the forfeiture aspects of this prosecution.

The charges in the criminal Complaint are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

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